

BOARD OF EQUALIZATION

GILA COUNTY, ARIZONA

Date: October 4, 2005

JOSÉ M. SANCHEZ

Chairman

JOHN F. NELSON

Clerk of the Board

TOMMIE C. MARTIN

Vice-Chairman

By: Marian Sheppard
Chief Deputy Clerk

SHIRLEY L. DAWSON

Member

Gila County Courthouse
Globe, Arizona

PRESENT: José M. Sanchez, Chairman; Tommie C. Martin, Vice-Chairman; Shirley L. Dawson, Member; Dale Hom, Assessor; Hazel Dillon, Chief Deputy Assessor; Larry Huffer, Chief Appraiser; Irene Mata, Property Appraiser II; and, Marian Sheppard, Chief Deputy Clerk of the Board of Supervisors.

At 1:30 p.m., the Gila County Board of Equalization met to review one Petition for Review of Residential Valuation and three Petitions for Review of Real Property Valuation for tax year 2006.

For the record, Ms. Sheppard asked everyone to state their name and title. Chairman Sanchez then advised of the hearing process. Vice-Chairman Martin advised that she would be leaving the hearing at approximately 2:00 p.m. to attend to other County business.

The Board of Equalization reviewed petitions submitted on four tax parcels, and a summary of the hearings for each parcel is as follows:

- **102-21-003-K6 – David and Diana Cook – in person**

The Residential Petition for Review of Valuation submitted by the Mr. and Mrs. Cook states that their opinion of the full cash value on the subject property is \$145,000 and the Assessor has assessed an amount of \$172,997. Chairman Sanchez called on Mr. Cook to address his concerns to the Board. Mr. Cook provided a history on the property and stated that approximately two years ago he met with the Board of

Equalization and, at that time, a decision was made to reduce his property valuation as determined by the County Assessor for a period of two years. Mr. Cook stated, "The Board of Equalization took action at that time and I thought it was a done deal. I thought forever, which is not the case." Mr. Cook also informed the Board that he was requesting that the subject property be reclassified from residential to agricultural. Larry Huffer, Chief Appraiser, advised the Board that issue cannot be addressed at this time because Mr. Cook has yet to submit an Agricultural Land Use Application for this reclassification. Mr. Cook requested that the Board reduce his property valuation to \$145,000. Mr. Huffer then presented the Assessor's reasons for increasing the full cash value of the property. He presented the Board with pictures of the subject property and pictures of three comparable sale properties. Two of the comparable properties are manufactured homes and one property is a site-built home. Mr. and Mrs. Cook's property contains a site-built home. Mr. Huffer advised that January 1, 2005, is the date when valuations are issued to property owners for the 2006 tax year. The values of the three comparable sale properties are as follows: 1) manufactured home - \$220,000 or \$65.06 per square foot; 2) manufactured home - \$160,000 or \$56.02 per square foot; and, 3) site-built home - \$140,000 or \$64.77 per square foot. Mr. Huffer advised that the subject property is valued at \$50.44 per square foot. He then read aloud the definition of "full cash value" as stated in Title 42, Chapter 11, Article 1, Section 42-11001 (5) of the Arizona Revised statutes, which states, "Full cash value for property taxes means the value determined as prescribed by statute. If no statutory method is prescribed, full cash value is synonymous with market value which means the estimate of value that is derived annually by using standard appraisal methods and techniques. Full cash value is the basis for assessing, fixing, determining and levying secondary property taxes." He advised that he also sought the opinion of various local realtors and the

value given by one realtor for the subject property was over \$300,000 with \$380,000 as the highest value given. In ending his presentation, Mr. Huffer stated, "I believe we've provided sufficient evidence (to support the Assessor's opinion of value)." The Board, Mr. Huffer and Mr. Cook entered into a discussion on events leading to the Board of Equalization's decision to reduce Mr. Cook's property valuation during the last hearing approximately two years ago. The discussion then went to the housing boom occurring in Gila County and throughout Arizona. Dale Hom, Assessor, concluded the discussion by saying, "It's about the value of the property. Taxes are predicated by where you live. The value is only a measure of what the property is worth. We're saying it's about \$172,000." At the request of Vice-Chairman Martin, Mr. Huffer explained how the value of the subject property could change should it later be reclassified to agricultural property. Hazel Dillon, Chief Deputy Assessor, advised that reclassifying the property to agricultural is "not necessarily a benefit." Upon motion by Supervisor Dawson, seconded by Vice-Chairman Martin, the Board unanimously agreed with the Assessor's opinion of value for this tax parcel, as follows:

Decision: No change. FCV (full cash value) = \$172,997; LPV (limited property value) = \$159,500; Legal Class = 3; and, Assessment Ratio = 10%.

For the remaining three properties to be heard by the Board, Larry Huffer presented a packet of information to the Board that was submitted by Property Tax Professionals, Inc. He explained that the following three properties are government subsidized apartment complexes and he explained that the developer pays cash for the land, with the federal government buying down the interest rate on improvements made to the land, such as the apartment buildings. The developer files an income approach to value based on the actual rents received. He advised the Board that there is a similar case being appealed in Yavapai County that

just went to the Appellate Court. Mr. Huffer stated that he would like to wait until a decision has been rendered by the Appellate Court on the Yavapai County case before he decides to adjust any of the property valuations on these three properties. He also said that based on the decision made by the Appellate Court, Yavapai County may appeal further to the Supreme Court. In that case, Mr. Huffer advised that he would then wait for the Supreme Court's decision. Listed below are the requested property valuations as submitted by Property Tax Professionals, Inc. and the decisions made by the Board of Equalization.

- **304-04-211H – Payson Apartments-represented by Property Tax Professionals, Inc. – on the record**

Property Tax Professionals, Inc. requested that the full cash value and limited property value be reduced to \$483,022. Upon motion by Supervisor Dawson, seconded by Chairman Sanchez, the Board agreed that when using market rents, the Assessor's income approach to value supports the Assessor's opinion of value.

Decision: No change. FCV (full cash value) = \$690,031; LPV (limited property value) = \$690,031; Legal Class = 4; and, Assessment Ratio = 10%.

- **304-04-211J – Mount View Apartments-represented by Property Tax Professionals, Inc. – on the record**

Property Tax Professionals, Inc. requested that the full cash value and the limited property value be reduced to \$533,947. Upon motion by Supervisor Dawson, seconded by Chairman Sanchez, the Board agreed that when using market rents, the Assessor's income approach to value supports the Assessor's opinion of value.

Decision: No change. FCV (full cash value) = \$762,781; LPV (limited property value) = \$762,781; Legal Class = 4; and, Assessment Ratio = 10%.

- **302-42-011F – Maurnez Apartments-represented by Property Tax Professionals, Inc. – on the record**

Property Tax Professionals, Inc. requested that the full cash value and limited property value be reduced to \$661,385. Upon motion by Supervisor Dawson, seconded by Chairman Sanchez, the Board agreed with the Assessor's decision to adjust the full cash value and the limited property value based on the Assessor's income approach to value.

Decision: FCV (full cash value) = \$927,176 (it was previously assessed at \$1,202,518); LPV (limited property value) = \$927,176 (it was previously assessed at \$1,202,518); Legal Class = 4; and, Assessment Ratio = 10%.

There being no further appeals for review, the Board adjourned the meeting at 2:17 p.m.

José M. Sanchez, Chairman

ATTEST:

Steven L. Besich, County Administrator/Clerk